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Via Electronic Submission

August 31, 2012

Ms. Marlene Dortch Secretary, Federal Communications Commission 445 12th St, SW, Room TW-A325 Washington, DC 20554

Re: Application of Virgin Mobile USA, L.P. to Participate in the Broadband Adoption Lifeline Pilot Program; *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42

Dear Ms. Dortch:

Virgin Mobile USA, L.P. ("Virgin Mobile" or "VMU"), an affiliate of Sprint Nextel Corporation ("Sprint"), herein supplements the above referenced application to participate in the Broadband Adoption Lifeline Pilot Program ("Program"). On August 14, 2012, the Company spoke by telephone with Wireline Competition Bureau Staff. During the call, the Commission requested clarification concerning certain details of Virgin Mobile's application, summarized in the Notice of Ex Parte Communication filed on August 16, 2012, in the above-referenced docket.

Virgin Mobile responds specifically to Staff's inquiries as follows:

• The proposed partnership with Open Air Boston ("OAB").

Should Virgin Mobile be selected as a participating carrier in the Program, Virgin Mobile will work with OAB to formalize the partnership through a partnership agreement. Based on discussions to date, Virgin Mobile envisions leveraging OAB's Tech Goes Home program to extend training and equipment as an extra dimension to the Virgin Mobile pilot program in the areas where OAB operates. Virgin Mobile proposes to divide each of the four pilot participant groups into two subgroups – one that receives treatment from OAB and one that does not. The exact parameters of the execution of this partnership may vary, but will hold paramount the balance between addressing real customer needs and gathering statistically balanced data.



• The customer experience once a customer hits the one gigabyte threshold (e.g., can a customer purchase additional data?) and whether and how Virgin Mobile plans to track the experience of these customers.

Once a customer hits the threshold data amount thereby exhausting the prepaid allotment, the customer would need to purchase another Broadband2Go plan to maintain or resume access. If the customer is in a group receiving monthly recurring charge treatment, this purchase may happen either automatically (data added) or manually (funds added, customer purchases plan) at the beginning of the next cycle date of their plan to resume access. If the customer is not receiving monthly recurring charge treatment, the customer could purchase a plan at any time to maintain or resume access. The customer could purchase a plan by contacting Customer Care, visiting an authorized replenishment partner, or accessing their account online and using a top-up card, credit or debit card to add funds to their account.

Virgin Mobile will track the experience of customers receiving MRC treatment through the surveys conducted during the pilot.

• The source of the device subsidy proposed in the application.

In connection with its proposed program, Virgin Mobile seeks \$1.2 million solely to subsidize the \$20 service cost for 5,000 participants for 12 months. Virgin Mobile does not expect an equipment subsidy from the USF and did not build into its proposal an equipment subsidy. Table 3, set forth in the Application, is hereby revised as follows:

Table 1 - Proposed Pilot Project Structure

Group	Device Cost to	Service Cost	Data	Number of	Expected
	Customer	to Customer	Allotment/	Pilot	plan
	(VMU	(USF	Expected	Participants	months
	Subsidy)	Subsidy)	Usage		
1	\$50 (\$0)	\$20 (\$0)	1 GB/800	2500	5
			MB		
	φ10 (Φ10)	Φο (ΦΦΟ)	1 GD /000	2500	10
2	\$10 (\$40)	\$0 (\$20)	1 GB /800	2500	12
			MB		
3	\$50 (\$0)	\$0 (\$20)	1 GB/800	2500	12
			MB		
4	\$10 (\$40)	\$20 (\$0)	1 GB/800	2500	5
			MB		



• The \$200,000 gap between the cost of the program to Virgin Mobile and the amount of subsidy sought, as reflected in the application.

For the purpose of participating in the Commission's broadband Lifeline pilot program, Sprint expects to incur a marginal loss of \$200,000 on its proposed trial. This gap is roughly a result of adding anticipated customer revenues and USF subsidies from recurring charges and subtracting the network and device acquisition costs.

• Whether Virgin Mobile intends to gather data in connection with the pilot, or rely on USAC to collect data, and if Virgin Mobile intends to gather data, the means by which it will do so.

Virgin Mobile intends to gather data through email, mail, and voice outreach, in that order and depending on efficacy of each method.

• The form that Virgin Mobile will use to enroll pilot program participants, including the disclosures that will be provided to the customer concerning Lifeline eligibility and the pilot program.

A revised draft enrollment form will be provided in a further supplement to be submitted the week of September 3.

• The channel through which Virgin Mobile will enroll pilot participants and how it will go about ensuring that customers are not enrolled as pilot participants in more than one subsidized pilot program.

In connection with the enrollment process, the customer will be required to affirm that they have not signed up for Lifeline broadband service with another provider. Additional details concerning the enrollment process will be provided with the draft enrollment form in a further supplement.

• The manner by which statistical randomization of pilot participants will be achieved in the states in which Virgin Mobile proposes to enroll pilot participants.

Statistical randomization will be achieved using random mailings in such a way that a normal distribution should result in sample population for each zip code and across the four groups.



Whether Virgin Mobile can provide data concerning the take rate for the various offerings made available in connection with the pilot program.

Virgin Mobile can collect and provide aggregate data on the take rates for the four offerings and the usage patterns (purchases and data tonnage) of the four pilot participant groups subject to applicable CPNI restrictions.

Virgin Mobile appreciates the time and effort of Staff in reviewing its application. Please do not hesitate to contact me with any additional questions.

Sincerely,

Elaine M. Divelbliss

Kimberly Scardino cc: Garnet Hanly Jonathan Lechter

Jay Schwarz